

PART 19

SMALL BUSINESS PROGRAMS

TABLE OF CONTENTS

19.001 Definitions.

SUBPART 19.2 - POLICIES

19.201 General policy.

SUBPART 19.3 - DETERMINATION OF STATUS AS A SMALL BUSINESS, *HUBZONE SMALL BUSINESS, OR SMALL DISADVANTAGED BUSINESS CONCERN*

19.307 Solicitation provisions.

SUBPART 19.5 - SET-ASIDES FOR SMALL BUSINESS

19.503 Setting aside a class of acquisitions *for small business*.

19.505 Rejecting Small Business Administration recommendations.

SUBPART 19.6 - CERTIFICATES OF COMPETENCY *AND DETERMINATIONS OF RESPONSIBILITY*.

19.602 Procedures.

19.602-1 Referral.

19.602-3 Resolving differences between the agency and the Small Business Administration.

19.602-4 Awarding the contract.

**SUBPART 19.7 - THE SMALL BUSINESS SUBCONTRACTING PROGRAMS**

19.705 Responsibilities of the contracting officer under the subcontracting assistance program.

19.705-4 Reviewing the subcontracting plan.

19.790 Responsibility for reviewing the subcontracting program.

SUBPART 19.8 - CONTRACTING WITH THE SMALL BUSINESS ADMINISTRATION (THE 8(a) PROGRAM)

19.803 Selecting acquisitions for the 8(a) program.

19.804-2 Agency offering.

19.804-90 Withdrawal of requirements.

19.806 Pricing the 8(a) contract.

19.807 Estimating the fair market price.

19.812 Contract administration.

[SUBPART 19.70 - HAS BEEN ELIMINATED]

SUBPART 19.71 - PILOT MENTOR-PROTEGE PROGRAM

19.7100 Scope.

[SUBPART 19.72 HAS BEEN ELIMINATED]

**SUBPART 19.90 - DLA MENTORING BUSINESS AGREEMENTS (MBA) PROGRAM**

19.9001 *General.*

19.9002 *Policy.*

19.9003 *Scope.*

19.9004 *Purpose and approach.*

19.9005 *Contracting officer responsibilities and program considerations.*

19.9006 *Reporting.*

19.9007 *Solicitation provision and contract clause.*

19.001 Definitions.

"Fair market price" as defined in the FAR is a price DLA would expect to pay under "normal competitive conditions," which means under full and open competitive conditions (without a reservation, set-aside, preference, or the like).

## SUBPART 19.2 - POLICIES

### 19.201 General policy.

(b)(90) DLA small business specialists are guided by DLAM 9100.1, Small Business Program Operations Manual. Contracting personnel should recognize the assigned responsibilities of these individuals and work cooperatively with them to achieve the objectives of the DLA Small Business and Small Disadvantaged Business Utilization Program and to avoid duplication of effort.

## SUBPART 19.3 - DETERMINATION OF STATUS AS A SMALL BUSINESS, **HUBZONE SMALL BUSINESS, OR SMALL DISADVANTAGED BUSINESS CONCERN**

### 19.307 Solicitation provisions.

(90) *When the provision at FAR 52.219-1, Small Business Program Representations, is used in solicitations issued via electronic means, one of the following provisions shall be used to record information required by FAR 52.219-1, paragraph (b). For purchases below the simplified acquisition threshold (SAT), use the provision at 52.213-9004, Offeror Representations, Certifications, and Fill-in Information--Electronic Commerce; for purchases above the SAT, use 52.219-9004, Small Business Program Representations. See 13.101(b)(2)(91).*

## SUBPART 19.5 - SET-ASIDES FOR SMALL BUSINESS

### 19.503 Setting aside a class of acquisitions **for small business.**

(d) The DD Form 2579, Small Business Coordination Record, shall be used to give written notice of a withdrawal from a class set-aside to the procurement center representative (PCR). The form shall be sent through the office of the Small Business Specialist (SBS). The basis for the withdrawal shall be documented in the remarks section.

### 19.505 Rejecting Small Business Administration recommendations.

(b) If the chief of the contracting office approves the action of the contracting officer, the next level of appeal shall be the activity commander. If the Commander approves the action of the contracting officer, the PCR shall be so advised and may proceed with the appeal actions prescribed in FAR 19.505(c).

## SUBPART 19.6 - CERTIFICATES OF COMPETENCY

### 19.602 Procedures.

#### 19.602-1 Referral.

(a)(2) Prior to referring a potential contractor to one of the SBA's area offices in accordance with FAR 19.602-1 and DFARS 219.602-1, the contracting officer shall thoroughly review all the pertinent facts available, including the preaward survey (PAS), and make a determination of responsibility in accordance with FAR 9.105-2. This determination should so thoroughly consider all pertinent data and the circumstances of the acquisition that, barring substantial evidence refuting the specific elements for which the contractor was determined nonresponsible, it represents the contracting officer's intention to pursue an appeal if the SBA Headquarters notifies the contracting officer of its intent to issue a certificate of competency (CoC). Evidence to refute the identified elements of nonresponsibility may come from the SBA, the contractor, contract administration office (CAO) personnel, or any credible source, as long as the information uncovered specifically addresses the deficient elements cited in the nonresponsibility determination. Recognizing that valuable lead time may be lost if the CoC procedure is delayed, the contracting officer may initiate the CoC process pending resolution of the type of correctable deficiencies that may have been identified in the PAS.

(90) All contracting activities are encouraged to utilize a standardized and simplified form letter for CoC referrals. DLA Form 1756, Referral of Small Business for Certificate of Competency (CoC) Consideration, is available for this purpose.

#### 19.602-3 Resolving differences between the Agency and the Small Business Administration (SBA).

(a) The contracting officer shall request the SBA to specifically address those elements considered to be unsatisfactory and document the file accordingly. The reconciliation of differences should include, as appropriate, requests for updates and additional data from the CAO personnel responsible for the PAS.

(a)(90) If the SBA notifies the contracting officer of its intent to issue a CoC, the contracting officer shall either:

(1) Appeal the issuance of the CoC in accordance with DFARS 219.602-3(c)(i), as detailed below; or,

(2) Using the information currently available, determine the contractor to be responsible, document the file, and proceed with contract award; or,

(3) Determine to accept the CoC, without determining the contractor to be responsible. This alternative allows consideration of the circumstances of an individual acquisition which may make accepting the CoC the most reasonable alternative. Notice of the award shall be provided to the division chief (or another appropriate level above the contracting officer), to the activity postaward monitor, and to the contractor general file (see FAR 4.801(c)(3)).

(c)(90) If the contracting officer intends to appeal the issuance of the CoC, the contracting officer shall request the **Small Business Specialist (SBS)** to notify the SBA Headquarters of the intent to appeal the CoC in accordance with DFARS 219.602-3(c)(i). Within 3 workdays of receiving the SBA Headquarters notification of its intention to uphold the SBA Region's decision to issue a CoC, the contracting officer shall fax a report to **DLSC**-PPP summarizing the pertinent facts of the case. (Voluminous reports should be express mailed.) The pertinent facts shall include: name of the prospective contractor; item; quantity; dollar value; the specific elements for which the prospective contractor was determined to be nonresponsible; a copy of the pertinent portions of the preaward survey; SBA's rationale for issuing the CoC; and, the proposed alternative means of satisfying the requirements. A copy of this report shall also be forwarded to the SBS at the activity. The Executive Director, Procurement Management shall review the information provided and advise the contracting officer within 5 workdays of the decision to support the appeal, or to recommend acceptance of the CoC. The Executive Director, Procurement Management shall provide a copy of that decision to the Director, Small and Disadvantaged Business Utilization (DDAS). If the Executive Director, Procurement Management elects to support the formal appeal, the contracting officer will be advised to expeditiously prepare the formal appeal and forward it through the activity SBS to DDAS in accordance with DFARS 219.602-3(c). The formal appeal shall include at a minimum: the particulars of the contract, (i.e., item, quantity, etc.); the PAS; the contracting officer's determination of nonresponsibility; any appropriate update on the contractor's progress toward becoming responsible; and a discussion of the attempts made to reconcile differences with the SBA. The Executive Director, Procurement Management shall be provided a simultaneous copy of the appeal. Formal appeals shall be forwarded for receipt at DLA within 5 workdays of notice that the Executive Director, Procurement Management supports the contracting officer's intent to appeal. Formal appeals should be indexed and tabbed.

(91) Once the contracting office requests the SBA Headquarters to review the intention of the Area office to issue a CoC, DLA contracting personnel are not authorized to waive the right to appeal, or to forfeit an appeal, without the concurrence of the Executive Director, Procurement Management. Requests for such concurrence shall include substantially the same type of information submitted in the report notifying the Executive Director, Procurement Management of the contracting officer's intention to appeal.

(92) All reports submitted by the contracting officer to the Executive Director, Procurement Management concerning CoC appeals shall be forwarded through the chief of the contracting office (see 2.101) for all other activities.

(93) The requirements of subparagraphs 19.602-3(c)(90) and (91) do not apply to simplified acquisitions. Contracting offices are authorized to develop local procedures to process appeals on simplified acquisitions.

#### 19.602-4 Awarding the contract.

(c)(90) If the activity has not heard from the cognizant SBA field office within 5 working days after referral, the activity will contact the SBA office to which the matter

was referred to determine whether a CoC is being processed. The contract file shall be documented to reflect that this action was taken.

(91) In awarding a simplified acquisition:

(i) The contracting officer shall not agree to a longer period of time than 15 business days for the SBA reply before proceeding to award to another offeror unless the extension is approved by the chief of the contracting office.

(ii) The contracting officer may proceed in accordance with FAR 19.602-4(c) when 15 calendar days have elapsed since the date of referral of the matter to SBA.

#### **SUBPART 19.7 - THE SMALL BUSINESS SUBCONTRACTING PROGRAM**

19.705 Responsibilities of the contracting officer under the subcontracting assistance program.

19.705-4 Reviewing the subcontracting plan.

(d)(7) The services of the activity and CAO Small Business Specialist (SBS) are available to assist in review of subcontracting plans. Requests for review of a subcontracting plan by the cognizant CAO shall be forwarded through the SBS at the contracting office to the SBS at the CAO. The buyer should provide a reasonable length of time (generally, at least 7 working days) for the CAO review. The results of a CAO review, and any recommendations which arise therefrom, shall be evaluated by the contracting officer prior to approval of the subcontracting plan. The contract file shall be documented to reflect the review and the contracting officer's final decision on the goal accepted.

19.790 Responsibility for reviewing the subcontracting program.

When administration of contracts containing the Small Business, Small Disadvantaged Business, Women-Owned Small Business Subcontracting Plan clause is retained by the contracting office, the procedures in 42.202(e)(90) apply.

#### **SUBPART 19.8 - CONTRACTING WITH THE SMALL BUSINESS ADMINISTRATION (THE 8(a) PROGRAM)**

19.803 Selecting acquisitions for the 8(a) Program.

(a)(4)(90) The contracting office shall assure that follow-on Section 8(a) contract support will be provided for that period of time reflected in the SBA approved business plan. In furtherance of this, close coordination between the contracting officer and SBS is essential.

(c)(90) In addition to responding to SBA requests for potential requirements to support an approved business plan of a small disadvantaged firm, it is the policy of DLA to identify other requirements which are considered suitable for placement with SBA under the Section 8(a) program. Contracting officers will consider the Section 8(a) program as a possible method of satisfying all new requirements being processed for contract action. Special attention will be given to those commodities and services which are anticipated to be recurring requirements and for which there are a limited number of prospective small business sources.

19.804-2 Agency offering.

(a)(1) The SBA notification, *if required (see DFARS 219.804-2(2))*, shall be provided in writing through the SBS and a copy provided to the local SBA PCR. If no response is received from SBA by the *applicable* due date, *(i.e., within 10 working days of receipt of the offering in accordance with FAR 19.804-3(a) or within 5 working days of receipt in accordance with DFARS 219.804-3)*, the requirement may be withdrawn or the time extended at the option of the contracting office.

19.804-90 Withdrawal of requirements.

(a) When circumstances arise indicating a need to withdraw requirements previously committed for Section 8(a) contracting, the contracting officer shall seek SBA agreement for such withdrawal through the SBS. If the SBA does not agree with such withdrawal, complete data supporting such proposed withdrawal shall be provided through the SBS to the Small and Disadvantaged Business Utilization Office for review and concurrence or nonconcurrence.

(b) When a requirement previously committed for Section 8(a) contracting is withdrawn and subsequently acquired by normal acquisition methods, the contracting officer shall, within 15 days after award, provide a summary of the facts to the SBS on each item stating: (i) the DLA estimated fair market price (FMP), (ii) the SBA final offered price, and (iii) the final contract price.

#### 19.806 Pricing the 8(a) contract.

(b) Although an 8(a) supplier may be able to justify a price exceeding the FMP, award at a price that exceeds FMP is prohibited (see section 921 of P.L. 99-661). Occasionally, cost and price analysis discloses that award should be made at a price below FMP. But in most cases, the analysis supports the FMP as fair and equitable to both parties and the award is consummated at that price.

#### 19.807 Estimating fair market price.

(a) The FMP is intended to reflect award prices attainable to the Government if purchased on a fully competitive basis in the current open market place.

(b) In determining the FMP, the contracting officer, whether using previous buys, a market survey, pricing data, and/or cost or pricing data, would exclude any abnormally priced offers that can be identified. This includes prices which, although reasonable, were found to have been abnormally low or high due to special or non-recurring circumstances, such as a one-time price reduction, premium charge, distress sale, etc. The FMP should normally be derived based on adjusting the lowest (except for repeat purchases - see 19.807(c)(90)) remaining reasonable price consistent with the Government's requirements in the manner specified in FAR and DLAD 19.807(c). No other price differential or adjustment factor shall be used (e.g., for independent government estimate inaccuracies, for differences between fully competitive awards and reservations, for differences between awards to manufacturers and to dealers, etc.).

(c)(90) Establishing an FMP does not mean that the section 8(a) subcontractor will always be able to meet the most recent, lowest, and /or comparable price obtained through full and open competition or sealed bidding.

(91) When there have been recent awards for comparable quantities of the item being purchased, which resulted from "normal competitive conditions," the most recent award shall be the basis upon which FMP is determined. A comparable quantity is not necessarily a similar quantity but must be one to which a logical price comparison can be made with the current quantity. All recent award prices are to be considered in determining if the most recent comparable price is representative of "normal competitive conditions." If the most recent award price is not representative of "normal competitive conditions," the file shall be so documented and the next most recent comparable award price shall be considered as the basis for the FMP determination.

(92) Award of a section 8(a) contract shall not be delayed pending award of a recently issued solicitation which resulted in competitively priced offers, unless there is no reasonable basis for determining FMP other than the pending competitive award price.

(93) When a solicitation for a particular item would generally result in different unit prices for different line items, it may be desirable to develop separate FMPs for each line item. However, it is not permissible to establish a range of FMPs for any item or group of items.

(94) Averaging of previous bid or award prices is prohibited.

(95) Previous section 8(a) award prices may be used to determine the current FMP only when: (a) a suitable previous competitive price is not available; and (b) when the previous FMP was established in accordance with FAR and DLAD guidelines.

(96) A format similar to that in paragraph **19.807(91)**, below, shall be used to document consideration of all relevant factors affecting price used to adjust the previous award price (base FMP), or the reason the factors were not adjusted.

(97) Once the FMP is established, considering previous award prices and all relevant factors affecting price, it will be the highest price that DLA will pay, except when a revised FMP, established within the FAR/DLAD guidelines, is fully supported and documented by the contracting officer.

a. Quantity	_____
b. EPA Index (List index source, #, dates, title and values)	_____
c. Transportation (List rate and source)	_____
d. Delivery Schedule	_____
e. Packing and Packaging (List rate and source)	_____
f. Other (Specify differing specs, terms, conditions, etc.)	_____
Net Adjustment (a through f above)	_____

FMP for Current Requirement  
(Base Unit Price + or - Net Adjustment) \_\_\_\_\_

4. Discussions (Use reverse if necessary)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Coordination/Approval:  
Buyer's Signature/Date

\_\_\_\_\_

Price Analyst Signature/Date

\_\_\_\_\_

Prepared \_\_\_\_\_ Reviewed \_\_\_\_\_

Concur \_\_\_\_\_ Nonconcur \_\_\_\_\_

Approved: Contracting Officer \_\_\_\_\_ Date \_\_\_\_\_

19.812 Contract administration.

(d) The contracting officer or authorized representative shall notify the SBS prior to initiation of any adverse action against an SBA subcontractor. In cases involving initiation of default procedures, at the request of the SBS, the contracting officer shall provide the facts required for notification to DDAS.

(90) Requests for technical and/or management assistance which are in excess of DSC or DCMC capability and resources shall be referred through the SBS to DDAS. Through agreement between HQ DLA and SBA, technical and management assistance teams can, under certain circumstances, be made available to augment assistance provided by the contracting officer.

(91) As described in FAR 42.5, postaward orientation conferences with contractors **are conducted** to assure a clear understanding of the scope of the contract, the technical requirements, and the rights and obligations of the parties. The contracting officer or technical representative should initiate a request for such a conference on all first time 8(a) contractors and when the 8(a) firm has experienced problems. Assure that all matters requiring clarification or resolution are considered and contractual requirements are explained. Specific attention shall be given to the requirements of statutes, executive orders, and labor provisions.

(92) Early notification to the SBA of deficiencies in contract performance by a Section 8(a) firm is particularly important in the administration of 8(a) contracts.

(93) Whenever it becomes known that the 8(a) subcontractor has encountered problems which could jeopardize contract performance, the SBS shall be notified. The contracting officer or authorized representative shall provide all reasonable assistance to the subcontractor to correct deficiencies.

**SUBPART 19.71 - PILOT MENTOR-PROTEGE PROGRAM**

19.7100 Scope.

The Mentoring Business Agreements (MBA) Program (*see Subpart 19.90, below*) is a DLA variation on the DoD Pilot Mentor-Protege Program, which was established under Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), as amended. The DLA program is not intended to supersede the DoD program.

SUBPART 19.90 - DLA MENTORING BUSINESS AGREEMENTS (MBA) PROGRAM

19.9001 General.

*The Mentoring Business Agreements (MBA) Program is a DLA variation on the DoD Pilot Mentor-Protege Program (although it does not supersede the latter). Under the DLA*

Program, experienced (generally large business) entities serve as mentors to selected proteges in reciprocally rewarding relationships. The protege is ordinarily a small, small disadvantaged, or women-owned small business; however, it may also be a Javits-Wagner-O'Day Act (JWOD)-qualified nonprofit agency for the blind or other severely disabled, approved by the Committee for Purchase from People Who Are Blind or Severely Disabled. This Agency program differs from the DoD Mentor-Protege Program in that it:

- (a) is not statutorily mandated;
- (b) will remain in effect so long as it achieves the purposes for which it is intended;
- (c) permits the selection of any small business or JWOD-qualified nonprofit agency as a protege;
- (d) does not require potential mentors to undergo a substantial approval process in order to qualify for that role, or to identify intended proteges "up front";
- (e) is determined successful more by the establishment of long-term business relationships between mentors and proteges (and perhaps the latter's improved business processes and penetration into new markets) than by numbers and dollar values of subcontracts with SDBs or any other category of small entity; and
- (f) offers no direct monetary incentives to contractors. (Instead, it relies on a market-based incentive consisting of the extension of favorable consideration to the mentor under the instant and future source selections, and within the context of option exercise or order placement under multiple-award contracts.)

#### 19.9002 Policy.

Through the DLA MBA Program, experienced prime contractors (large or small, including JWOD entities) extend developmental assistance, with Government encouragement, to small, small disadvantaged, and women-owned small businesses or JWOD entities in return for the recipient's providing value-added services and/or products. The mentor provides the benefit of its managerial expertise, technical capabilities, market knowledge and penetration, and economies of scale. The protege provides a distinctive proficiency or capability (such as a specialized product, service, or, potentially, admission into its own market) which supports the mentor's business objectives.

#### 19.9003 Scope.

Contractor participation in the DLA MBA Program shall be the focus of an evaluation factor to be included in all solicitations or other announcements for long-term contracting arrangements expected to exceed \$500,000. This requirement shall not be mandatory for contracts for commercial items, unless logistics services in support of those items are also being acquired under the same contract. Any other exception to this requirement must be approved by the chief of the contracting office, without power of delegation. An explanation for the exception must be included in the solicitation file, and a copy must accompany the report required in 19.9006(e). Inclusion of the program coverage in solicitations below \$500,000, though optional, is encouraged in all appropriate circumstances.

#### 19.9004 Purpose and approach.

- (a) There are three purposes served by the DLA MBA Program. It is intended to:
  - (1) Provide maximum opportunity to the small business/JWOD community to participate in DLA's reengineered business processes at either the prime or subcontract level.
  - (2) Remove the tendency on the part of some small businesses to depend on doing business with the Government exclusively, and to lead them to new opportunities that are chiefly available today in the commercial marketplace.
  - (3) Foster private-sector, mutually beneficial mentor-protege relationships that transcend performance under specific contracts. These long-term relationships can lead to equally long-term stability and opportunities for growth.
- (b) The Government benefit realized is the establishment of stronger, better sources - the large or experienced and the small or disadvantaged entity - in whose abilities there can be greater confidence than ever before. The mentoring process strengthens the likelihood of a small firm's being able to compete for DLA contracts at either the prime



*or the subcontract level, and provides another outlet, vision, and opportunity to those whose prior range of operations was unnecessarily limited.*

*(c) A typical approach to MBA could be an arrangement between two entities who are both in similar business lines, with the prime contractor providing the advantage of its experience, technical capabilities, and business networks to the protege. Another could involve a prime from the warehousing/distribution business sector teaming with one or more proteges - not only in product lines, but also in software development, management of hazardous materials, transportation, electronic communications, and other such areas. The DLA MBA Program can be applied across the entire spectrum of DLA commodities and required services (but see 19.9003 for the commercial-item supply contract exception to mandatory inclusion).*

#### **19.9005 Contracting officer responsibilities and program considerations.**

*(a) DLA contracting offices will work together with their respective small business offices as catalysts and facilitators, identifying entities willing to participate as mentors. Prospective prime contractors are responsible for selecting small, small disadvantaged, and women-owned small businesses (or JWOD entities) for participation with them in the Program. However, when requested, the DLA contracting office and/or small business office will assist prospective prime contractors in the process of locating small entities as potential proteges. The prime must establish for itself the parameters of its involvement under the Program; its proposal for participation, identifying the assistance already undertaken or to be rendered, shall be incorporated into its contract with the Government. The prospective contractor is obligated, as part of its contractual undertaking, to enter into a written, binding mentoring business agreement with a protege based on this plan. (Thus, the MBA, by its being expressly contemplated by the mentor's proposal and by the latter document's incorporation into the prime contract with DLA, binds the mentor firm to both the protege and the Government.)*

*(b) Even though the Government does not enjoy privity of contract with the protege (and therefore cannot be a party to, or require a copy of, the MBA), the contracting officer shall inform the prospective offeror/mentor that the future agreement must reflect the plan included with the latter's offer.*

*(1) Notwithstanding that the agreement is not made a deliverable under the contract, or that a copy cannot otherwise be demanded by the contracting officer, he or she shall nevertheless request that the agreement be made available to the Government. The contractor shall be advised that any agreement so provided will be compared with the proposal contained in the contract with DLA, to ensure that it adequately reflects the mentor's obligations expressed within that contract.*

*(c) DLA contracting offices shall lead by example in this mentoring concept by placing greater emphasis on assisting small, small disadvantaged, and women-owned small businesses through their Business Counseling Center services and other functions/specialists throughout the activity. These contracting offices will actively promote and participate in industry-sponsored conferences and organizational seminars/meetings, using the events as a forum to discuss and forward Program goals.*

*(d) To promote Program participation, the DLA MBA Program shall (as stated in 19.9003) be included as an evaluation factor in best-value acquisitions that meet applicability standards. Prospective offerors shall be asked to include, as part of their overall proposal, a plan to participate in the Program as a mentor; each plan must delineate the assistance already undertaken or to be rendered to a protege. The factor is an element in the overall award decision, and the proposal provided by a successful offeror shall be incorporated into the resulting contract and monitored during performance by the contracting officer and other pertinent parties.*

*(1) Participation in the MBA Program is entirely elective; however, proposals that demonstrate a strong commitment to affording small, small disadvantaged, and women-owned small businesses a real opportunity to compete in the reengineered business environment will ordinarily receive a more favorable rating for this evaluation factor than those that demonstrate a lesser or no such commitment. (Examples of this type of "real opportunity" include the mentor's developing the protege into a stronger competitor by designating the latter a "valued supplier," or by permitting it to perform part of the contract work in conjunction with the prime through a type of teaming arrangement.) There is no limit to the type of assistance the prime contractor may provide to achieve its Program objectives. Of course, the "helping hand" that any firm can extend necessarily depends upon unique variables, including its business sector, range of market penetration, capitalization, competition, location, etc. The Government shall determine the adequacy of the contractor's proposal, but shall not dictate the kind of assistance*

to be provided.

(e) For applicable contract actions, the contracting officer shall provide incentives for prime contractors to establish and administer MBA arrangements. These include:

(1) evaluation of current or proposed participation in the MBA Program as an independent factor (separate from any overall past performance evaluation factor) in source selection;

(2) use of MBA performance under previous contracts as part of the overall past performance evaluation factor in source selection;

(3) evaluation of present MBA performance in determining placement of orders under multiple-award contracts; and/or

(4) consideration of contractor present and past MBA performance in the exercise of options for the follow-on years of long-term contracts.

(f) The DLA MBA Program shall be monitored, and performance under it analyzed, by the contracting officer and the cognizant small business specialist(s) to ensure the intended purposes of the Program are being achieved. Because activity must be evaluated specifically in terms of the contractor's commitment to the advancement and viability of a protege, and because oversight reviews must be conducted in accordance with the plan contained in the prime's contract with the Government, rather than in accordance with the agreement (see 19.9006(a) through (c)), care must be taken not to assess intentions, without regard to outcomes. The value of both effort expended and results achieved must be considered in each individual mentoring situation.

#### 19.9006 Reporting.

(a) Participating mentors shall be required to submit periodic progress reports on the fulfillment of their proposals. Furthermore, when a mentor voluntarily furnishes a copy of the MBA to the Government, the contracting officer shall compare the later agreement to the mentor's earlier proposal.

(b) All accomplishments against MBA proposals shall be reviewed semi-annually with the mentor and the protege by the contracting officer and the cognizant small business specialists from the buying activity and the DCMC component(s). (Administration of contracts containing the MBA provision/clause should ordinarily be delegated to DCMC; however, when overall administration is retained, supporting administration by DCMC must nevertheless be requested for purposes of Program oversight. See, generally, 42.202(e)(90). Activity/component Commanders or their Deputies are strongly encouraged to participate in such reviews. HQ DLA (DLSC-P and DDAS) shall also be afforded an opportunity to participate.

(c) Not only shall small business specialists monitor contractor activity under the plan, but they shall also, at least implicitly, oversee and report on performance under the agreement, when that document has been provided to the Government. Note, though, that even if activity in accordance with the agreement is able to be monitored, such information cannot be used as the basis for any contractual determination (including source selection, option exercise, or order placement), because the mentor's contractual duties to DLA extend only to the contents of the plan. Similarly, a formal assessment of the protege's fulfillment of its undertakings (as set forth in the MBA) cannot be made, because that party's contractual obligations extend only to the prime. Despite this, the general monitoring of all aspects of performance is one of the Government's primary duties under the MBA Program. A proper balance must therefore be maintained between the demands occasioned by legitimate Government interests, and respect for a contractual relationship to which the Government is not a party.

(d) Wherever possible, this Program will utilize existing reporting mechanisms to evaluate prime contractor compliance.

(e) A Reports Control System (RCS) number has been established for reporting the number of MBAs in place each fiscal quarter. Additionally, you are required to indicate whether, for the applicable buys, offers were received from both small/JWOD and large entities, whether the successful offeror chose to participate in the MBA program, and, if so, whether the successful offeror was a small/JWOD or a large business. The RCS number remains DLA(Q)2609(MM). These reports are mandatory, and are due from the corporate contract policy office at each Center to HQ DLA, ATTN: DLSC-PPP, by the 10th working day of the month following the end of the quarter.

(f) Notification of **a mentor's and protege's arrangements regarding signing ceremonies for these MBA agreements** shall, whenever practicable, be provided to Headquarters, DLA (DDAS and DLSC-PPP) at least two weeks prior to **the planned event** so that DLA executives may attend, **at their election**. Formal ceremonies with appropriate publicity are encouraged.

**19.9007 Solicitation provision and contract clause.**

A provision substantially the same as the one at 52.219-9002 shall be inserted in all solicitations meeting the criteria in **19.9003**, above. **Additionally, a** clause substantially the same as the one at 52.219-9003 shall be included in all solicitations and contracts containing provision 52.219-9002.